

COUNTY OF YORK

MEMORANDUM

DATE: January 25, 2001 (BOS Mtg. 2/6/01)

TO: York County Board of Supervisors

FROM: James O. McReynolds, County Administrator

SUBJECT: Proposal for Restructuring Virginia's State Mental Health System

Background

As you know, the County's legislative program included materials emphasizing the importance of maintaining a state-operated mental health system that would have consistent standards of care and adequate funding throughout all areas of the Commonwealth. The Secretary of Health and Human Services has now proposed a Comprehensive Plan for the Restructuring of Virginia's Mental Health Care Programs and Facilities. This restructuring that would close or drastically downsize all residential facilities in the Commonwealth. Although the proposal calls this a six-year plan, the first year of Phase I is already past. The proposal relies heavily on the use of private hospitals and nursing homes.

York County staff have grave concerns regarding this proposal and believe the restructuring to be highly problematic from both a fiscal and service perspective. Legislation has been introduced in the General Assembly to implement this plan. Certain members of York's delegation, as well as other legislators, have raised objections to elements of the plan. Silence from local governments on this subject could easily be misunderstood as support for facility closings. It is therefore important and timely to consider this issue from a local perspective and to relay concerns to members of the General Assembly.

Issues

The primary areas of our staff concerns are these:

- **Fiscal** - There are serious concerns regarding the adequacy of funding for such restructuring, particularly for residential care. Under the present system, the State owns and operates buildings. This includes staffing and facility maintenance. The restructuring proposes to commit the "base budget for the institutions" to the purchase of services. A number of areas are very unclear, including:
 - how the base budget is formed
 - the adequacy of this funding to buy private care
 - how a transition period would be funded since it necessarily involves a period of overlap in which current facilities must be operated while patients are moved and buying space in private.
 - the process and adequacy of funding future cost increases

- ** Inadequate Community Capacity** - Services are based on an assumption that there is adequate community capacity to absorb patients into private hospitals for short-term stabilization and that nursing homes will accept mentally ill geriatric patients. We strongly question the adequacy of community capacity for care. This same assumption was the basis for the Comprehensive Services Act (CSA) program in which there is shared responsibility for funding and placement between the state and local levels. We have found in the CSA that fees charged by private facilities increased after the program was established and overall costs to localities and the state has risen drastically. Recently local governments have been finding that private residential facilities refuse to accept the most dysfunctional children. These same dynamics are very likely to also be found in private placements of the mentally ill.

The plan calls for mentally ill geriatric patients to be placed in private nursing homes. At present, nursing homes are finding it almost impossible to secure sufficient direct care staff to handle elderly patients. Pay is low and the economy has been extremely good, allowing job seekers to secure less arduous work for greater compensation. Until the available labor supply increases, it is doubtful that any nursing home can handle any more patients, much less mentally ill ones.

- ** Future access** - the plan focuses on transferring existing patients from existing facilities. Staff has great concern about both the funding and the process for future access to care for mentally ill when the facilities are closed.

While there is a need to improve the state facilities and enhance the overall mental health system, it is critical that the Commonwealth continue to maintain and operate a state-wide system of care. This is the only way to ensure adequate service levels, access and quality standards.

Recommendation

Some members of the General Assembly, to include Senator Norment and Delegate Morgan from York's delegation, have expressed opposition to this plan. I believe that it is extremely important for localities to be heard on this issue. It is my recommendation that the Board adopt Resolution R01-20 to raise concerns regarding implementation of the state's plan to restructure mental health services in the Commonwealth and to support our delegation's position on this matter.

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